

RE: Retroactive Pay 2018-CY-BX-0025

From: Worthington, Brenda (OJP) (brenda.worthington@usdoj.gov)
To: frednance@clickservices.org
Cc: Andre.Bethea@usdoj.gov; Tracey.Willis@usdoj.gov
Date: Monday, March 11, 2019, 12:50 PM CDT

EXHIBIT 16

Good afternoon, Dr. Nance,

Thank you for the detailed information. I have copied Tracey Willis, your BJA grant manager, as she is your primary point of contact on grant compliance related matters.

No retroactive approval of expenditures has been issued. As you know, the grant adjustment notice was sent back several times because the justification for the expenditures included unallowable activities as well as activities that did not appear to directly relate to action plan. I do see that this request was resubmitted on the afternoon of Thursday 3/7/18. With that being said, no obligations or expenditures prior to 2/8/19, which was the date that the grant adjustment notice to remove special condition #46 (Withholding of funds: Subrecipient monitoring policies) was approved by OJP, have been authorized. I see in your last email that you no longer wish to request retroactive approval for October 2018– December 2018, so will have Tracey Willis send the grant adjustment notice back in GMS so that the request can be revised.

With regard to your employment status on this award, please work with Ms. Wash to resolve this matter. If you and Ms. Wash determine that your compensation will be via a subrecipient agreement, a budget modification GAN must be submitted to move your compensation to the subawards category. In addition, a GAN must be submitted to change the point of contact to an employee of EMAGES, Inc, as the point of contact in GMS cannot be a subrecipient.

You referenced “Module 23 of the DOJ Grant Financial Management Training for Grants on or after December 26, 2014” and the “National Defense Authorization Act of 2013.” I believe that you are referring to the federal law that protects employees against whistleblowing. I have included the link to the DOJ Office of the Inspector General (OIG) whistleblower information sheet: “<https://ojp.gov/funding/pdfs/DOJ-OIG-WhistleblowerInfo.pdf>. Per the information sheet:

“If you know about waste, fraud, abuse, misconduct, or whistleblower reprisal relating to a DOJ employee, program, contract, or grant you may report it to the OIG through the following:

Website: <https://oig.justice.gov/hotline>

Hotline: (800) 869-4499

Fax: (202) 616-9881

EXHIBIT 16

Mailing Address:

U.S. Department of Justice
Office of the Inspector General
Inspections Division
1425 New York Avenue
N.W. Suite 7100
Washington, D.C. 20530-2001"

Thank you,

Brenda

Brenda M. Worthington

Division Chief
Bureau of Justice Assistance
810 7th Street NW
Washington, DC 20531
(202) 305-7844

Brenda.Worthington@usdoj.gov

From: Fred Nance Jr. [mailto:frednance@clickservices.org]
Sent: Monday, March 11, 2019 10:23 AM
To: Worthington, Brenda (OJP) <Brenda.Worthington@ojp.usdoj.gov>
Cc: Bethea, Andre (OJP) <Andre.Bethea@ojp.usdoj.gov>; Willis, Tracey (OJP)

<Tracey.Willis@ojp.usdoj.gov>
Subject: Re: Retroactive Pay

EXHIBIT 16

Thank you

Dr. Fred L. Nance Jr

PhD Human Services

Social Policy Analysis

708-921-1395

Sent from Yahoo Mail for iPhone

On Monday, March 11, 2019, 6:43 AM, Worthington, Brenda (OJP) <Brenda.Worthington@usdoj.gov> wrote:

Hi Dr. Nance,

I have received your messages and I will get back to you sometime today or tomorrow.

Thanks,
Brenda

Brenda M. Worthington
Division Chief
Bureau of Justice Assistance
810 7th Street NW
Washington, DC 20531
(202) 305-7844
Brenda.Worthington@usdoj.gov

From: Fred Nance Jr., Ph.D. [<mailto:frednance@clickservices.org>]
Sent: Sunday, March 10, 2019 5:45 PM
To: Worthington, Brenda (OJP) <Brenda.Worthington@ojp.usdoj.gov>
Cc: Bethea, Andre (OJP) <Andre.Bethea@ojp.usdoj.gov>; Fred Nance Jr.
<frednance@clickservices.org>
Subject: Re: Retroactive Pay

Ms. Worthington:

Good evening. I left something, I believe is important, out of my previous message on Friday, March 8, 2019. First, on March 7, 2019, Dr. Wash and I had another conversation about my salaried check. As she was telling me the Federal government could not tell her how to expend a salaried check, she told me I was an employee. **I am not an employee of EMAGES, Inc.** I, and C.L.I.C.K. Services, NFP, am a partner with EMAGES, Inc. and obligated to spend a 100% of time on this grant. I have the responsibility of being the Program Director. Dr. Wash is spending 10% of her time on this grant, and has the responsibility of being the fiduciary arm of this grant and is the lead agency. (See Abstract, Proposal, Budget).

EXHIBIT 16

On March 10, 2019 I reviewed our request for retroactive pay, which is still in the submitted stage. I am a policy driven person. On March 7, 2019 I informed Dr. Wash I would not accept the salaried check for me as written with the excessive federal and state deductions. Dr. Wash was very adamant about not changing anything. Therefore, pursuant to DOJ, BJA, OJP policy the drawdown for my salary in the amount of \$11,538.48 should be returned because of the DOJ, BJA, OJP policy reports no monies allocated in a drawdown should be kept in a bank account drawing interest. On Monday, March 11, 2019, I will inform Dr. Wash she should send this portion back to DOJ, BJA, OJP.

I am not sure how this will effect our retroactive pay request, and so I leave this in your hands for instructions to us. Rather than agree to an unjust and unfair allocation of my tax liability, I want to give what is allocated for my salary back to DOJ, BJA, OJP. Basically, I am relinquishing any payment to me for the work I have done between October 2018 thru December 2018. I have to sacrifice for the sake of ethics and principles held.

I was reviewing the DOJ Grant Financial Management Training for grants awarded on or after December 26, 2014, module 16 - Availability of Funds. I believe I can receive this portion of my salary on the back-end of our grant with a request for a 3-month extension at the close out of the grant, September 30, 2021. I can get biweekly checks with the correct allocations of tax liability. If there is another option where I can receive my appropriate tax liability, I welcome the insight and authority to exercise it.

Our grant will have a successful ending. Everyone will be treated fairly and honorably in our program. I have been a peer reviewer with DOJ, BJA, OJP for about 11 years, with an impeccable record. In addition, I believe I need to exercise the National Defense Authorization Act of 2013, which is listed as Module 23 of the DOJ Grant Financial Management Training for Grants on or after December 26, 2014 for the issues I have raised here. Thank you.

Respectfully submitted

/s/Dr. Fred Nance Jr., PhD
Health & Human Services
Social Policy Analysis and Planning
www.clickservices.org
708-921-1395

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On Friday, March 8, 2019, 12:39:46 AM CST, Fred Nance Jr., Ph.D. <frednance@clickservices.org> wrote:

In addition to my earlier message and for clarity, I, Dr. Fred L. Nance Jr., co-authored our proposal with EMAGES, INC. as a partner for this grant. (See Abstract and Project Narrative ("Describe Management and Staffing, p. 18")).

Please correct me if I am wrong. As a partner, we (Dr. Wash and I) decided I would receive a salary; not as an employee of EMAGES, Inc., but as the President & CEO of C.L.I.C.K. Services, NFP. (www.clickservices.org). I am not an employee of EMAGES, Inc. I am the Program Director for our OJP project. I am an official point of contact for this project.

With this in mind, I suggested to Dr. Wash that I could receive a 1099 and be responsible for my own taxes. I suggested submitting a GAN to make the necessary changes. Dr. Wash was adamantly against this idea. Dr. Wash emphatically stated I receive a salary from EMAGES, Inc. and cannot receive a 1099 as a contractual employee because I am full-time (100%) with the project. I disagreed, stating I believed I or C.L.I.C.K. Services, NFP could be a sub-recipient working "full-time" on the project.

I am not sure so I employ your best suggestion or policy. I want the best for both of us. I live by ethics, values, morals, and policies. Please suggest a happy medium so we can put this issue to rest. What do you guys believe would be a good solution to this problem? Please elaborate and explain. Therefore, I want to thank you, in advance, for your discernment in this matter.

Respectfully submitted

/s/Dr. Fred Nance Jr., PhD
Health & Human Services
Social Policy Analysis and Planning
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On Thursday, March 7, 2019, 3:50:37 PM CST, Fred Nance Jr., Ph.D. <frednance@clickservices.org> wrote:

Ms. Worthington:

Good evening. I talked to Dr. Wash about this issue informing her I would contact DOJ to find out if this action is appropriate. Dr. Wash told me to go ahead and contact DOJ.

I have a dilemma. I get paid biweekly. EMAGES is paying me "retroactive" pay for October 1, 2018 thru January 31, 2019. The October 2018 thru December 2018 check is 6 checks being provided in one lump sum, which raises my federal and state tax liability. The January 2019 is being provided in 2 checks, which has the appropriate federal and state tax liability. I suggested to Dr. Wash to give me 6 checks for the October 2018 thru December 2018 pay period so it will not raise my tax liability. Dr. Wash reports her CPA informs her if she gave me 6 checks it may look inappropriate to DOJ/BJA/OJP. I am attaching the checks. I refused to accept the October 2018 thru December 2018 until I get a resolution to this issue. I cashed the 2 "retroactive" checks for January 2019. I am attaching the checks.

I am being told they are putting it in lump sum because it is "retroactive" pay. Does it make a difference in how "retroactive" checks are distributed? Dr. Wash is reporting to me OJP has

nothing to do with an agency's payment structure. I am telling her this is Federal monies. I am not trying to start any trouble. I am seeking fairness. Why should I be put a different tax liability? Please explain.

This is the difference: The October 2018 thru December 2018 Federal Tax liability for the lump sum of \$11,538.48 is \$2,694.00, which is 6 checks. The tax liability for me getting paid biweekly is \$89.00. Multiplying \$89.00 x 6 = \$534.00. The difference in tax liability is \$2,160.00!!! This makes no sense to me. Thank you.

/s/Dr. Fred Nance Jr., PhD
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